Definitions:

A

Agency – Any department, commission, board, authority, government-owned corporation, or other independent government entity.

Allotment – Funds established for agency expenditure, in accordance with the appropriations made by the General Assembly.

Allotment Code – The five-digit number used to designate a program or programs for budgeting and accounting purposes.

Appropriation – The amount authorized by the General Assembly to be allocated from a fund to an allotment code. Also, in the context of funding type, the general state revenue allocated to an allotment code by the General Assembly.

Appropriations Bill – Annual legislation authorizing the allocation and expenditure of funds for a two-year period: the year of bill passage and the subsequent year. The bill also sets policies, assigns certain responsibilities, and at times specifies legislative intent on certain issues.

Authorized Positions – The maximum number of positions an agency may establish at any given time; authorized positions must receive legislative approval by legislation, by expansion, or by inclusion in the Governor's recommended budget document.

В

Balanced Budget – A budget in which the expenditures incurred during a given period are matched by revenues.

Base Budget – The estimated expenditures and associated revenues or appropriation necessary to maintain the current level of service or activity.

BEP – The Basic Education Program is the formula that determines the funding level each school system needs in order to provide a basic level of service for all students.

Brian A. – A settlement agreement, signed in July 2001, which requires a four and one half year reform of child welfare services provided by the Department of Children's Services.

Budget Request – The annual spending and revenue plan submitted by each agency for review by the Department of Finance and Administration, the Stat Comptroller, and Fiscal Review Committee.

 \mathbf{C}

Capital Budget – The portion of the budget devoted to proposed additions or maintenance to capital assets and the means of financing those additions.

Capital Maintenance – Major non-routine repairs and replacement unrelated to new construction. Improvements of this type have a cost of \$100,000 or more.

Capital Outlay – Expenditures which result in the acquisition of or addition to major fixed assets (e.g., land, buildings, and equipment related to construction).

Capital Projects Fund – The funds used to account for financial resources related to the acquisition, construction, or maintenance of major capital facilities.

Current Services Revenue – Program funds generated by a specific activity to support that activity. This includes fees and assessments, gifts, and interest from reserves or endowments (e.g. licenses permit and certificate fees, inspection fees).

D

Debt Rating – A measure of a governmental entities ability to pay debt on bonds, etc.

Debt Service – Expenses for principal, interest, and discounts on bonds and other types of borrowed money.

Debt Service Fund – Funds used to retire bonds in an orderly process over the bonds life. Each year, the state sets aside a sum of money equal to a certain percentage of the total bond issue.

 \mathbf{E}

Earmarked Revenue – Funds that are legislatively limited in how they can be expended.

Environmental Protection Fund (EPF) – A fund administered by the Department of Environment and Conservation whose purpose is to improve performance in permitting, monitoring, investigation, enforcement, and administration of the department's function under each regulatory program.

F

Facilities Revolving Fund – A self-perpetuating fund for the maintenance and renovation of state-owned buildings and leasing of office space.

Families First – This program, administered by the Department of Human Services, replaces Aid to Families with Dependent Children (AFDC) and provides time-limited cash grants, education, job training, child care, employment assistance, and transitional benefits to poor or low income Tennesseans in order to reduce or eliminate welfare dependency.

FDIC – The Federal Deposit Insurance Corporation insures bank deposits up to \$100,000.

Federal Funds – Funds received from federal government agencies for the support of programs at state and local levels. Federal funds are received by way of block grants, entitlement programs, and specific grants.

Federal Mandates – A provision of federal law or regulation which requires state government implementation. This includes the creation of new programs, changes in existing programs, and increases in state financial participation in jointly funded federal programs.

Fiscal Year – A 12-month accounting period; in Tennessee, July 1 through June 30.

Full-time Equivalent (FTE) Enrollment – A standard measure of student enrollment designed to equate part-time students to full-time students on the basis of total hours of course work for which they are registered.

Fund – A repository of money set aside for a specific purpose.

Fund Balance – Excess of the assets of a fund over its liabilities and reserves.

General Fund – The fund maintained by the Treasurer into which revenues collected by the state, other than highway taxes, are deposited for appropriation by the General Assembly to support the operation of state agencies.

Governmental Accountability Act – Law enacted by the Public Acts of 2002, which requires the phase-in of strategic planning and performance based budget.

H

Highway Fund – The fund maintained by the Treasurer into which certain revenues collected by the state are deposited for appropriation by the General Assembly to the Department of Transportation. Revenue generated mostly from petroleum related taxes comprises the Highway Fund.

I

IGT – An intergovernmental transfer; specifically, revenue collected as state revenue from city or county government.

Improvement – Increases in departmental budget needed to implement mandated requirements, compensate for revenue reductions, initiate new programs, or enhance the base level.

Interdepartmental Revenue – Revenue received by one entity of state government from another entity of state government. These funds are received as reimbursement of shared costs, as a grant, or as some other inter-agency agreement.

L

Liability – An obligation that legally binds the state to settle a debt.

M

MCO – Managed Care Organizations are responsible for managing the distribution of medical services for the TennCare program.

N

Non-Recurring Funds – Funds that are appropriated to be used for a one-time expense.

 \mathbf{o}

Operating Budget – That money which is necessary to maintain a program, excluding the cost of capital construction.

Other Revenue – A collection of funding sources, excluding state appropriations and federal funds. These funding sources are generally from local governments, current services, and interdepartmental activities.

Overappropriation – The anticipated savings resulting from position vacancies and other unexpended funds.

Overlaps – Term used when an appointing authority places more than one incumbent in a single position in an overlap status. This is subject to budgetary limits as well as approval of the Commissioner of Human Resource.

P

Performance-Based Budgeting – Process to identify objectives, activities, and performance indicators for each budget unit. This process is being phased in, with all agencies included by FY 2012.

Performance Measure – A quantitative or qualitative indicator that is used to assess performance.

Performance Standard – A desired level of performance of a program, measured by outcome or output.

Program – Any of the major activities of an agency expressed as a primary function.

R

Rainy Day Fund – A fund established to ensure stability in the event of an extended economic downturn (also referred to as the Revenue Fluctuation Reserve Fund).

Reappropriation – The extension of the termination date for the availability of appropriated money.

Reclassification – A change in the duties and responsibilities of a state employee's job.

Recommended Funds – The funds proposed by the Governor for legislative approval, including the base budget and improvements.

Recurring Funds – Funds that are appropriated on an ongoing basis.

Reserve Funds – Funds held for future needs or a special purpose.

Revolving Fund – A fund provided to carry out a cycle of operations. The amounts expended from a fund of this type are restored by earnings from operation or by transfer from other funds. Thus, the fund is always intact in the form of cash, receivables, inventory, or other assets.

S

Second Injury Fund – A fund providing money for judgments against the State of Tennessee and for legal costs awarded by the state in order to encourage employers to hire workers with prior injuries or disabilities.

State Taxpayers Budget – The section of the budget that includes only state appropriations and state revenues from general tax sources. The State Taxpayers Budget section excludes appropriations from dedicated taxes and fees which are narrowly levied and earmarked for specific purposes, federal revenues, and all other departmental revenues.

Supplemental Appropriation – Additional appropriations to the original allotment authorized by the General Assembly after the beginning of the fiscal year.

TANF – Temporary Assistance for Needy Families is a federal program administered by the Department of Human Services and provides cash grants for families with financial need and dependent children deprived of support or care.

TNKids – Internet initiative to coordinate data from various state departments dealing with children and youth.

Tobacco Master Settlement Agreement – A settlement agreement, signed by attorneys general representing 46 states in November 1998, with the major cigarette companies to settle all lawsuits seeking to recover the Medicaid costs of treating smokers. The agreement imposes restrictions on advertising, marketing, and promotion and requires the manufacturers to make annual payments to states through 2025.

W

Workers' Compensation Reform Act – Legislation that revised the state workers' compensation program.